



***Source Selections  
for Performance-  
Based Service  
Contracts***

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# *Overview*

- **The Past**
- **The Present**
- **The Challenges**
- **Helping Teams Improve**
  - **Highlighting Past Performance**
- **Summary**



# ***The Past: Task Based SOWs***

- **SOWs consisted of detailed process and procedures for accomplishment of service**
  - **Offerors limited to “one solution” (government developed) response**
  - **Lack of discriminators resulted in evaluation frequently no more than pass/fail test to see if offeror repeated government process**
  - **Determination of technical ability rested on counting number of personnel, hours applied and reading resumes and organizational charts**
  - **Process prescribed might not actually result in service needed**
- **End result -- source selection teams evaluated input applied to a pre-determined process rather than determining if desired service goals could be met by selected offeror**



# ***The Present: Performance Based SOWs***

- **Performance Based Service Acquisition (PBSA)**
  - **Defining the desired end result of providing a service rather than detailing the process**
  - **Move away from evaluating inputs such as number and type of personnel**
  - **Move towards evaluating output - can offeror actually accomplish the work required and obtain the desired objectives using the people and plans proposed as inputs**
- **Example - Evaluating inputs such as the experience of the airplane pilot, travel agent, hotel concierge and maid will not guarantee you will get the kind of vacation you want!**



# ***Source Selection and PBSA Challenges***

- **Developing Mission Capability (MC) subfactors that describing outcomes rather than inputs can be very difficult**
  - **Teams still want to write MC subfactors so they can evaluate the entire SOW --hard for them to target key discriminators**
  - **Even harder to appease functional representatives who are personally and professional insulted when their effort is not determined to be a key evaluation discriminator**
- **Evaluating MC subfactors focusing on outcomes is challenging**
  - **Teams uncomfortable knowing they will have to evaluate more than a “one solution” process response**
  - **Expertise may be lacking within team to determine if offeror’s proposal would achieve the end result**
- **Failure to understand and rely on past performance to maximize its benefit**
- **Difficulty transitioning to PBSA -- not limited to technical field**
  - **CO’s, SSAC members and even offerors struggling**



# ***PBSA Source Selections***

- **Develop MC subfactors that describe outcomes in terms of desired performance levels**
  - **Guide teams struggling with “input” oriented MC subfactors to think in terms of the anticipated result of using the inputs**
    - **For example: Rather than evaluating a phase-in plan, ask the question “What is the goal of phase-in?” Define the MC subfactor in terms of the goal of phase-in and use the input contained in the plan to evaluate the goal**
  - **Have team define words such as like “timely,” “effective,” “efficient,” “innovative,” “appropriate”**
- **Consider using a sample task that represents the work effort in meaningful way in terms of scope and complexity**
- **Tie the input requested in L to the outcome being evaluated in M**
  - **Ask the question, “ Will evaluating this input measure if the offeror can achieve the performance required ?”**



# ***Examples- MC Subfactor***

## **Operational Space Services Support Contract (modified)**

**GPS Maintenance Subfactor: The offeror's proposal will be evaluated on the technical/management approach and feasibility of the process proposed to restore operational availability of the GPS mission systems to green status, from red or yellow, within the timeframe allowed in the SOW while incorporating software modifications into the same system and maintaining operational availability of Ground Antennas and Monitoring Stations. Additional evaluation credit may be given for the extent to which offerors employ innovative approaches and procedures and for exceeding the threshold requirements in the SOW.**



# ***Example - MC Subfactor***

## **Network Management and Operations (modified)**

**The Air Force will assess the offeror's ability to manage and operate the Network Control Center (NCC) described in the SOW. The evaluation will assess the offerors proposed approach for planning, organizing, managing, operating, maintaining, and controlling all aspects of the NCC. In addition, the evaluation will assess the proposed skill mix to include cross utilization, management techniques, quality processes, and the offeror's approach to responding to contingencies. The threshold is met when the proposal demonstrates a detailed approach to plan, organize, manage, operate, maintain, and control aspect of the NCC meet thresholds established in the Service Delivery Summary (SDS) of the SOW. Additional evaluation credit may be given for exceeding threshold requirements.**





# *Special Challenges*

- **With budget reductions, green may not only be the minimum we need but, the most we can afford**
  - **Accept and acknowledge the fact that the real evaluation discriminator will come from the assessment of risk, not technical rating, of the MC subfactor**
  - **Acknowledge to the offerors that red/green are the only anticipated outcomes by telling them up front the government believes threshold performance requirements are set at a sufficiently high level**
  - **Elevate the importance of performance risk (and past performance) above technical MC color rating**
  - **Limit mission capability subfactors to those that will provide insight into proposal risk**



# *Example - MC Subfactor*

## **Mission Performance**

**The offeror will be assessed on the mission performance capabilities they plan to apply to the critical performance thresholds specifically identified in the SDS. The Government believes the established SOW thresholds are set at a significantly high performance level. However, evaluation credit may be given for proposed enhancements that exceed critical thresholds deemed beneficial to the Air Force.**

***This is an example where past performance and proposal risk are more important the technical evaluation of the MC subfactor. The drafter has notified the offerors up front that “beating” a green is not probable in this situation***



# *Elevate Past Performance*

- **Past performance is more than responsibility determination!**
- **In service contracting, the best gauge that an offeror knows what mix and number of personnel are needed for a project is demonstrated quality past performance associated with relevant work**
- **Work with teams to focus on relevance through careful development of questions designed to obtain insight into work that was/is being performed**



# ***Past Performance Issues- Relevancy***

- **Focus effort on specific information to augment existing data available in automated and/or local files - tendency is to repeat same generic questions and obtain same generic information already available**
- **Focus on a few relevant projects - tendency is to ask for too much from too many**
- **Questionnaires are just a starting point to determine relevancy**
  - **Numbers circled on a form provide information about quality of work but do little to answer the question “is the work relevant”**
  - **Without definition of ratings one person’s very good is another person’s excellent**
  - **Contract descriptions (especially on contracts spanning multiple functional areas) may not encompass all the type of work performed on the contract**



# ***Past Performance - Going the Step Beyond***

- **Similar process/approach used in highly relevant work with good past performance helps greatly to answer the concerns about “will it work”**
- **The default for evaluators unfamiliar with an area being assessed (especially when rating “unknown” is not an option) is to either gravitate to middle range or assign ratings that are the same as the areas with which they are familiar - go beyond this pitfall**



# Summary

- **Conducting Source Selections for Performance Based Service Contracts is not easy**
- **Watch for the tendency to define inputs to the process not the outcomes expected from the inputs**
- **Teams need assistance in understand the importance of past performance in evaluating services *and* evaluating past performance for its maximum benefit**
- **Our goal is not to buy people! The goal of service contracting is to award a contract to achieve an outcome which just happens to be what every mission needs...**



# *Other Thoughts?*

- **Discussion**